

COMMITTEE STATEMENT

LB 618

HEARING DATE: February 9, 1999

COMMITTEE ON: Banking, Commerce, and Insurance

TITLE: (Schimek) Change and provide provisions for opinions and analysis of value relating to real estate

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

7	Yes	Senators Landis, Tyson, Bourne, Bruning, Byars, Kremer, Schmitt
	No	
	Present, not voting	
1	Absent	Senator Jensen

PROPOSERS	REPRESENTING
Senator DiAnna Schimek	Introducer
Len Buckwalter	Self
John Bredemeyer	NE Real Estate Appraiser Board
Walter Radcliffe	NE Realtors Association
Les Tyrrell	NE Real Estate Commission

OPPOSERS	REPRESENTING
Richard Keith	NE Chapter of Appraisal Institute
Wayne Kubert	NE Chapter of Appraisal Institute
Lloyd Dickinson	American Society of Farm Managers and Rural Appraisers
Calvin Goding	Self
Cay Lacey	Self

NEUTRAL	REPRESENTING
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COMMITTEE STATEMENT

SUMMARY OF PURPOSE AND/OR CHANGES:

LB 618 (Schimek) would amend the Real Estate Appraiser Act and the Nebraska Real Estate License Act to establish requirements for the giving of a “broker’s price opinion” or a “comparative market analysis.”

The bill would amend section 76-2221 of the Real Estate Appraiser Act to provide that the act does not apply to a person licensed under the Nebraska Real Estate License Act who gives a broker’s price opinion or comparative market analysis, and that no compensation or fee shall be charged for such opinion or analysis unless the opinion is in writing and carries a disclosure, as set forth in this section, stating that the opinion is intended only for the purpose of assisting buyers or sellers in deciding the listing, offering, or sale price.

The bill would amend section 81-885.24 of the Nebraska Real Estate License Act to provide that it is an unfair trade practice under the act to charge a fee for an opinion as to the price or value of real estate for the purpose of listing, purchase, or sale of real estate, including a broker’s price opinion or comparative market analysis, unless the opinion is in writing and carries a disclosure, as set forth in this section, stating that the opinion is intended only for the purpose of assisting buyers or sellers in deciding the listing, offering, or sale price.

The bill would define a “broker’s price opinion” as an analysis, opinion, or conclusion prepared by a person licensed under the Nebraska Real Estate License Act in the ordinary course of his or her business relating to the value or price of interests in or aspects of real estate for the purpose of listing, purchase, or sale.

The bill would define “comparative market analysis” as an analysis, opinion, or conclusion prepared by a person licensed under the Nebraska Real Estate License Act in the ordinary course of his or her business relating to the value or price of interests in or aspects of real estate by comparison to other properties for the purpose of listing, purchase, or sale.

EXPLANATION OF AMENDMENTS, IF ANY:

The committee amendments would strike the original sections and insert new sections in a “white copy” format:

The committee amendments would provide that a broker’s price opinion and a comparative market analysis mean an opinion or analysis relating to the “price” of real estate (and not also the “value” of real estate as the bill, as introduced, would provide) (page 1, lines 16 and 22, page 6, line 27, and page 7, line 6 of the committee amendments).

The committee amendments would amend the required disclosure language to indicate the following:

COMMITTEE STATEMENT

broker's price opinions and comparative market analyses are intended also to assist "prospective" buyers or sellers (page 3, line 7 of the committee amendments);

broker's price opinions and comparative market analyses are not intended for lending purposes (page 3, line 9 of the committee amendments); and

broker's price opinions and comparative market analyses are subject to enforcement by the State Real Estate Commission through the Nebraska Real Estate License Act (page 3, lines 11 and 12 of the committee amendments).

The committee amendments would expand the definition of broker, for purposes of the Nebraska Real Estate License Act, to include a person who gives a broker's price opinion or comparative market analysis (page 4, line 20 of the committee amendments).

The committee amendments would make no changes in section 81-885.24 of the Nebraska Real Estate License Act, as proposed in the green copy (and described above).

Senator David Landis